

which the customer continues to purchase products or services from at least one of the billers after the service provider acquires ownership of the receivables associated with the account data received, and wherein the service provider acquires ownership of receivables associated with the subsequently purchased products or services after receiving account data for the customer account from the at least one biller (Spec. p. 7, lines 7-15).

Claims 1, 4-6 and 9-57 are pending in this application.² Claims 1, 4, 9-16, 19-22, 32-35, 38-41 and 50-57 stand finally rejected under 35 U.S.C. 103(a) as being unpatentable over Saville (Defining the Convergent Billing Marketplace, Spring 1997). The rejection of claims 1, 4, 9-16, 19-22, 32-35, 38-41 and 50-57 is respectfully traversed for the reasons set forth below and reconsideration is requested. Claims 5, 6, 17, 18, 23-31, 36, 37, and 42-49 stand finally rejected under 35 U.S.C. 103(a) as being unpatentable over Saville in view of U.S. Patent No. 6,049,786 issued to Smorodinsky ("Smorodinsky"). The rejection of claims 5, 6, 17, 18, 23-31, 36, 37 and 42-49 is respectfully traversed for the reasons set forth below and reconsideration is requested.

As brief background, in the applicant's claimed invention, a service provider, such as a bank or other financial institution, contracts with various companies to have all of their bill data delivered to the service provider electronically. The service provider stores the data at a customer level in its computer system. At the appropriate cycle time for a particular customer's account (i.e., the time at which the service provider delivers a statement once a month to the customer), the service provider's computer system automatically generates a combined statement and delivers it to the customer (Spec. p. 5, line 28 to p. 6, line 5).

The service provider receives the data electronically from the billers, and it is stored in the service provider's computer database. A single transaction is written out by the service provider's accounts receivable computer system. At different times in the month, the service provider receives data electronically, for example, for two or three different bills for a customer, which are reading out transactions one at a time to the service provider's accounts receivable system. The service provider can also be receiving, for the same customer, the customer's bill data for goods/services furnished by various vendors, each reading out a transaction into the service provider's accounts receivable system (Spec. p. 6, lines 5-12).

When the accounts receivable system actually cycles, having accumulated the entire balance, any finance charge, late payment charge, or miscellaneous fees, computing the

² The Office Action Summary mailed January 15, 2002 states that claims 1, 4-6, and 10-57 are pending in this application. However, claim 9 is discussed in the Detailed Action section and Applicant has not cancelled claim 9.

minimum payment amount and basically keeping the account in balance, a data image is forwarded to the service provider from the service provider's processing system. The service provider identifies each of those individual transactions that are read out and pulls them off of the statement and replaces them with the full image of the statement. Accordingly, the customer receives a complete branded statement for goods/services furnished by the various vendors, and with a summary page with multiple payment options from which the customer can pay the account (Spec. p. 6, lines 15-25).

The service provider receives transactions throughout the period, for example, of a month, and if a customer misses a payment, the service provider has already settled with each individual vendor of goods/services. The service provider's system is provided with different authorization parameters in dealing with customers of the billers, but the service provider is responsible for undertaking its own collections efforts against all of the balances that are left unpaid. Eventually, the matter may be referred to a collection agency that actually undertakes legal action to collect the debt on behalf of the service provider as the owner of the receivables (Spec. p. 6, line 26-p. 7, line 7).

In an important aspect of the present invention, the receivables are actually purchased by the service provider from each of the individual vendors furnishing goods/services under a contractual arrangement with the vendors, and paid for by the service provider within a short period of time after the service provider receives the statement from the vendor furnishing the goods or services. However, ownership of the receivable is passed to the service provider from the day the account data is received. Therefore, the debt is the liability of the service provider, and it is up to the service provider to use its expertise in order to maximize the collection performance and minimize the overall bad debt rate of all of the accounts together (Spec. p. 7, lines 7-15).

An important advantage of this aspect is the potential for the billers, to finance, for example, their 30-day outstanding receivables at an improved cost. Many billers' ratings (e.g., Standards & Poors and/or Moodys) are based on higher risk bond ratings and therefore higher costs associated with company risk. Purchasing the receivables "one customer at a time" allows the service provider the ability to use its open market systems to achieve a much improved cost that is mostly returned to the billers. Since the biller's risk of non-payment is eliminated and only the customer risk is left, the chance of a one hundred percent default risk (e.g., a customer goes out of business) is eliminated, resulting in better financing rates provided by the service provider's position. (Spec. p. 5, lines 18-27).

Thus, in an important aspect of applicant's claimed invention, the service provider, upon receiving the account data electronically from the billers from time-to-time, acquires ownership of the receivables represented by the account data under contractual arrangements with the billers (Spec. p. 7, lines 7-15). In addition, at least one of the plurality of accounts is a recurring bill account—the account regularly and periodically incurs charges for which the customer needs to be billed (Spec. p. 5, lines 18-27). Further, even after the service provider acquires ownership of the receivables associated with the account data received, the customer continues to purchase products or services from at least one of the billers (Spec. p. 5, line 28 to p. 6, line 25). The service provider acquires ownership of receivables associated with the subsequently purchased products or services after receiving account data for the customer account from the at least one biller (Spec. p. 7, lines 7-15). These features, recited in independent claims 1, 50, 54-57, as well as additional features of the dependent claims, are believed to be clearly patentable over the applied prior art. In another important aspect of applicant's claimed invention, the service provider, as the owner of the receivables, renders a combined bill to the customer, which represents a debt of the customer to the service provider, rather than to the biller from whom the receivables were purchased (Spec., p. 7, lines 7-15). These features, recited in independent claims 54-57 are likewise believed to be clearly patentable over the applied prior art.

The above-noted aspects are not disclosed or suggested by the various references asserted against the claims of record. Specifically, the asserted references fail to provide key features of the invention, and the claimed invention is patentably distinct from the cited references.

The “convergent” billing system mentioned in the Saville article is not capable of combined billing according to applicant's claimed invention. On the contrary, the article deals with a convergent billing system that bundles all of a consumer's charges on various services provided by a single biller into a single convergent bill. For example, the article discusses convergent billing as a way for a telecom provider to lock in customers by offering a single bill that includes bundled products and services to give their customers a full view of all their telecom services (p. 2, lines 8-11). According to the Saville article, a convergent billing system should adopt to a particular biller's current service offerings, including PCS/cellular, cable, local, long distance, Internet, intranet, interconnect, carrier access and information content billing and that the billing should be integrated (p. 2, lines 37-44).

The article mentions that Saville provides a system for combined power, light and telephone services, and says that a convergent billing platform enables a biller to rate and bill

local, long distance, Internet, cable, wireless, and data network services on a single invoice. (p.3, lines 13-23). The Saville article reports that rated activities are stored on on-line screens as unbilled usage, and when the customer's bill cycle is due, a single process calculates, generates, and updates usage with the latest billing information (p. 4, lines 10-15). The Saville article notes that it is able to deliver a single convergent bill to the customer, (p. 6, lines 16-20) and a customer structure that can be pointed to an account for group billing (p. 6, lines 28-30). The Saville article neither teaches nor suggests a system and method for combined billing in which the service provider, upon receiving account data electronically from each of a plurality of billers from time-to-time, acquires ownership of the receivables, and/or in which the service provider, as the owner of the receivables, renders a combined bill to the customer, which represents a debt of the customer to the service provider, as contemplated by applicant's claimed invention.

After noting that "Saville does not explicitly disclose acquiring ownership of receivables represented by the account data by the service provider under contractual arrangements with the plurality of billers upon receipt of the account data[,]" the Examiner takes Official Notice that "it is old and well known within the financial services industry wherein a financial institution buys debts, such as bills from other organizations." Office Action, mailed January 15, 2002, p. 4. The Examiner asserts that it "is common in the mortgage market between the first and secondary markets" and that it "is also used by companies who need cash and sell their account receivables (debts) to a financial institution or collection agency." Id. After stating that "it would have been obvious to one having ordinary skill in the art the time the invention was made to acquire ownership of receivables[,]" the Examiner concluded that "[o]ne would be motivated to acquire ownership of receivables in order to increase the flexibility of the financial solutions and to integrate all the steps of the billing process with the reception and control of the customer payments." Id. Applicant respectfully traverses the Examiner's use of Official Notice to reject the claims, particularly claims 1, 50, and 54-57.³

Applicant agrees that it is common in the mortgage market for mortgages to be sold between the first and secondary markets and that companies needing cash sometimes sell their account receivables (debts) to a financial institution or collection agency. However, Applicant's claims relate to acquiring ownership of receivables represented by account data that is electronically received from time-to-time from each of a plurality of billers, wherein at

³ The Examiner uses the same Official Notice in rejecting each of these claims.

least one of the plurality of accounts is a recurring bill account, wherein a customer continues to purchase products or services from at least one of the billers after the service provider acquires ownership of the receivables associated with the account data received, and wherein the service provider acquires ownership of receivables associated with the subsequently purchased products or services after receiving account data for the customer account from the at least one biller. For example, the service provider may receive account data associated with a customer's telephone bill. The service provider would acquire ownership of the receivables represented by the account data associated with that telephone bill after the account data is received. The customer may continue purchasing telephone services from the biller (e.g., a telephone company). The service provider would later receive account data associated with the subsequent purchases and would acquire ownership of the receivables represented by the account data associated with those subsequent purchases. This is distinct from the simple purchase of debts by a financial institution because in the present invention, at least one of the accounts is a recurring bill account, such that the service provider periodically acquires ownership of receivables from at least one biller for a particular customer. For example, the selling of a particular mortgage between the first and secondary markets, as cited by the Examiner, is a one-time acquisition by the purchaser and is not recurring. For at least this reason, Applicant respectfully submits that the Official Notice taken by the Examiner does not render the claims obvious.

The Applicant also respectfully submits that there is no suggestion or motivation in the references themselves or in the knowledge generally available to one of ordinary skill in the art to combine the Official Notice taken by the Examiner with Saville. The teaching or suggestion to make the claimed combination must be found in the prior art, not in applicant's disclosure. See In re Vaeck, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). The Examiner asserted that "[o]ne would be motivated to acquire ownership of receivables in order to increase the flexibility of the financial solutions and to integrate all the steps of the billing process with the reception and control of the customer payments." Office Action, mailed January 15, 2002, p. 4. However, "[i]t is improper, in determining whether a person of ordinary skill would have been led to this combination of references to '[use] that which the inventor taught against its teacher.' " In re Sang-Su Lee, 277 F.3d 1338, 1344 (Fed. Cir. 2002) (quoting W.L. Gore v. Garlock, Inc., 721 F.2d 1540, 1553 (Fed. Cir. 1983)).

Applicant respectfully submits that a person of ordinary skill in the art would not be motivated to combine "acquiring ownership of receivables" with the "convergent" billing system mentioned in the Saville article. The Saville article deals with a convergent billing

system that bundles all of a consumer's charges on various services provided by a single biller into a single convergent bill. For example, the article discusses convergent billing as a way for a telecom provider to lock in customers by offering a single bill that includes bundled products and services to give their customers a full view of all their telecom services. Thus, any receivables associated with the consumer's purchase of the biller's services are already owned by the biller and there would be no motivation for the biller to acquire ownership of the receivables since it already owns them. In this regard, Saville teaches away from the combination asserted by the Examiner. "It is improper to combine references where the references teach away from their combination." MPEP § 2145; see In re Grasselli, 713 F.2d 731, 743, 218 USPQ 769, 779 (Fed. Cir. 1983).

The Examiner has cited the statement in the Saville article that "Saville systems . . . was called in to provide a system for the combined power, light and telephone services in Edmonton, Alberta during 1983." Office Action, mailed January 15, 2002, p. 18. Applicant has not located any additional description of this system in the Saville article. Taken on its face, this statement gives no indication of what Saville systems provided to the City of Edmonton. Similarly, this statement makes no mention of combined billing or of the acquisition of ownership of receivables. It is likely that the City of Edmonton provided all of these services to its citizens as it is not uncommon for a city to provide utilities for its citizens. If Edmonton did provide utilities services to the citizens, then there would be no motivation for Edmonton to acquire ownership of the receivables since it already owns them. Because Saville does not disclose acquiring ownership of receivables represented by account data by a service provider under contractual arrangements with the plurality of billers upon receipt of the account data, as noted by the Examiner, Applicant submits that there was no transfer of ownership of receivables associated with the provision of power, light, and telephone services. Thus, this statement from Saville also teaches away from the combination asserted by the Examiner.

In the "Response to Arguments," the Examiner asserts that "Saville discloses the step in which the customer continues to purchase products or services from at least one of the billers after the service provider acquires ownership of the receivables associated with the account data received." Office Action, mailed January 15, 2002, p. 17. To support this position, the Examiner notes that "Saville discloses: ' . . . Frontier's convergent billing system provides customers with one-stop shopping and convenient integrated invoices, while providing the company with a competitive advantage: customer retention.' " Id. However, as noted by the Examiner, the Saville system does not disclose acquiring ownership of

receivables represented by the account data by the service provider under contractual arrangements with the plurality of billers upon receipt of the account data. The customer retention noted with regard to Frontier's convergent billing system is a result of Frontier providing different services (one-stop shopping) and providing an integrated invoice for the services that *it* provides (i.e., Frontier sells products/services to its customers *and* handles the billing of its customers). Conversely, with the present invention, a customer continues to purchase products or services from at least one of a plurality of billers while a service provider acquires ownership of receivables from the plurality of billers, automatically formats a combined bill, and automatically renders the combined bill to the customer. Thus, for at least this reason, Applicant respectfully submits that claims 1, 50, and 54-57 are patentable.

For the reasons set forth above, Applicant respectfully submits that claims 1, 50, and 54-57 are patentable. Because the remaining claims depend from these claims or intervening dependent claims, Applicant respectfully requests that the Examiner withdraw the rejection of claims 1, 4-6 and 9-57.

Amendments in the Claims—Version With Markings to Show Changes Made

In accordance with 37 CFR 1.121(c), the following versions of the claims as rewritten by the foregoing amendment show all the changes made relative to the previous versions of the claims.

Claims 1, 50, and 54-57 have been amended as follows:

1. (Three times amended) A method of combined billing for at least one customer on a plurality of customer accounts, comprising:

- receiving account data for the plurality of customer accounts electronically from time-to-time by a service provider from each of a plurality of billers;
- acquiring ownership of receivables represented by the account data by the service provider under contractual arrangements with the plurality of billers upon receipt of the account data;
- automatically calculating account charges for the plurality of customer accounts from the account data;
- aggregating the account charges for at least one customer on the plurality of customer accounts;
- automatically formatting a combined bill for the customer from the aggregated account charges; and
- automatically rendering the combined bill to the customer;

wherein at least one of the plurality of accounts is a recurring bill account, [and] wherein the customer continues to purchase products or services from at least one of the billers after the service provider acquires ownership of the receivables associated with the account data received[.], and wherein the service provider acquires ownership of receivables associated with the subsequently purchased products or services after receiving account data for the customer account from the at least one biller.

50. (Three times amended) A system for combined billing for at least one customer on a plurality of customer accounts, comprising:

- means for receiving account data for the plurality of customer accounts electronically from time-to-time by a service provider from each of a plurality of billers;

means for acquiring ownership of receivables represented by the account data by the service provider under contractual arrangements with the plurality of billers upon receipt of the account data;

means for automatically calculating account charges for the plurality of customer accounts from the account data;

means for aggregating the account charges for a least one customer on the plurality of customer accounts;

means coupled to the aggregating means for automatically formatting a combined bill for the customer from the aggregated account charges; and

means associated with the formatting means for rendering the combined bill to the customer;

wherein at least one of the plurality of accounts is a recurring bill account, [and] wherein the customer continues to purchase products or services from at least one of the billers after the service provider acquires ownership of the receivables associated with the account data received[.], and wherein the service provider acquires ownership of receivables associated with the subsequently purchased products or services after receiving account data for the customer account from the at least one biller.

54. (Twice amended) A method of combined billing for at least one customer on a plurality of customer accounts by a service provider, comprising:

entering contractual arrangements with a plurality of billers to have their account data for the plurality of customer accounts delivered to a service provider electronically;

receiving the account data electronically from time-to-time during a billing cycle by the service provider from each of the billers, each reading out transactions one at a time to an accounts receivable computer system of the service provider;

storing the account data at a customer level in a computer database of the service provider;

acquiring ownership by the service provider of receivables represented by the account data under the contractual arrangement when the account data is received by the service provider;

remitting payment for the receivables to the billers by the service provider under the contractual arrangement within a pre-determined period after receiving the account data;

automatically calculating account charges for the plurality of customer accounts from the account data;

aggregating account charges for at least one customer on a plurality of customer accounts;

automatically generating a combined bill for the customer from the aggregated account charges at a pre-determined cycle time for the customer's account; and

automatically rendering the combined bill to the customer as a debt of the customer to the service provider as owner of the receivable represented by the combined bill; wherein at least one of the plurality of accounts is a recurring bill account, [and] wherein the customer continues to purchase products or services from at least one of the billers after the service provider acquires ownership of the receivables associated with the account data received[.], and wherein the service provider acquires ownership of receivables associated with the subsequently purchased products or services after receiving account data for the customer account from the at least one biller.

55. (Twice amended) A system of combined billing for at least one customer on a plurality of customer accounts by a service provider, comprising:

means for entering contractual arrangements with a plurality of billers to have their account data for the plurality of customer accounts delivered to a service provider electronically;

means for receiving the account data electronically from time-to-time during a billing cycle by the service provider from each of the billers, each reading out transactions one at a time to an accounts receivable computer system of the service provider;

means for storing the account data at a customer level in a computer database of the service provider;

means for acquiring ownership by the service provider of receivables represented by the account data under the contractual arrangement when the account data is received by the service provider;

means for remitting payment for the receivables to the billers by the service provider within a pre-determined period after receiving the account data;

means for automatically calculating account charges for the plurality of customer accounts from the account data;

means for aggregating account charges for at least one customer on a plurality of customer accounts;

means for automatically generating a combined bill for the customer at a pre-determined cycle time for the customer's account;

means for automatically formatting a combined bill for the customer from the aggregated account charges; and

means for automatically rendering the combined bill to the customer as a debt to the service provider as owner of the receivable represented by the combined bill; wherein at least one of the plurality of accounts is a recurring bill account, [and] wherein the customer continues to purchase products or services from at least one of the billers after the service provider acquires ownership of the receivables associated with the account data received[.], and wherein the service provider acquires ownership of receivables associated with the subsequently purchased products or services after receiving account data for the customer account from the at least one biller.

56. (Amended) A method of combined billing for at least one customer on a plurality of customer accounts by a financial institution, comprising:

entering contractual arrangements with a plurality of billers to have their account data for the plurality of customer accounts delivered to a financial institution electronically;

periodically receiving the account data electronically during a billing cycle by the financial institution from each of the billers, each reading out transactions one at a time to an accounts receivable computer system of the financial institution;

storing the account data at a customer level in a computer database of the financial institution;

acquiring ownership by the financial institution of receivables represented by the account data under the contractual arrangement when the account data is periodically received by the financial institution;

remitting payment for the receivables to the billers by the financial institution under the contractual arrangement within a pre-determined period after receiving the account data;

automatically calculating account charges for the plurality of customer accounts from the account data;

aggregating account charges for at least one customer on a plurality of customer accounts;

automatically generating a combined bill for the customer from the aggregated account charges at a pre-determined cycle time for the customer's account; and

automatically rendering the combined bill to the customer as a debt of the customer to the service provider as owner of the receivable represented by the combined bill; wherein at least one of the plurality of accounts is a recurring bill account, [and] wherein the customer continues to purchase products or services from the at least one of the billers after the service provider acquires ownership of the receivables associated with the account data received[.], and wherein the service provider acquires ownership of receivables associated with the subsequently purchased products or services after receiving account data for the customer account from the at least one biller.

57. (Amended) A system of combined billing for at least one customer on a plurality of customer accounts by a service provider, comprising:

means for entering contractual arrangements with a plurality of billers to have their account data for the plurality of customer accounts delivered to a service provider electronically;

means for periodically receiving the account data electronically from time-to-time during a billing cycle by the service provider from each of the billers, each reading out transactions one at a time to an accounts receivable computer system of the service provider;

means for storing the account data at a customer level in a computer database of the service provider;

means for acquiring ownership by the service provider of receivables represented by the account data under the contractual arrangement when the account data is periodically received by the service provider;

means for remitting payment for the receivables to the billers by the service provider within a pre-determined period after receiving the account data;

means for automatically calculating account charges for the plurality of customer accounts from the account data;

means for aggregating account charges for at least one customer on a plurality of customer accounts;

means for automatically generating a combined bill for the customer at a pre-determined cycle time for the customer's account;

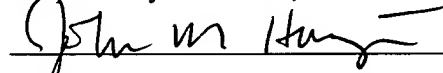
means for automatically formatting a combined bill for the customer from the aggregated account charges; and

means for automatically rendering the combined bill to the customer as a debt to the service provider as owner of the receivable represented by the combined bill; wherein at least one of the plurality of accounts is a recurring bill account, [and] wherein the customer continues to purchase goods or services from the at least one of the billers after the service provider acquires ownership of the receivables associated with the account data received[.], and wherein the service provider acquires ownership of receivables associated with the subsequently purchased products or services after receiving account data for the customer account from the at least one biller.

It is submitted that the claims as presently written define over the references cited and applied by the Examiner. Accordingly, it is respectfully requested that a Notice of Allowance be issued.

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Respectfully submitted,



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